

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1892
ANSWERED ON:10.08.2006
INVESTIGATION INTO DEFENCE DEALS
Jha Shri Raghunath

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Central Bureau of Investigation (CBI) has completed its investigation into 38 defence deals that were signed under Operation Vijay;
- (b) if so, the details of the findings of CBI;
- (c) the measures taken to ensure transparency in defence deals; and
- (d) if not, the steps taken to expedite the investigation?

Answer

MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE)

(a) & (b): Twenty five (25) Defence deals relating to 'Operation Vijay' were referred to Central Bureau of Investigation. Out of these, 13 cases were referred back to Ministry of Defence by CBI as no criminality was detected in these cases. Of the remaining 12 cases, 7 cases are still under scrutiny. Preliminary Enquiry has been registered in 5 cases, of which 1 case has been converted into a Regular Case.

(c) Defence procurement is undertaken as per Defence Procurement Procedure (DPP) 2005 for capital acquisition and Defence Procurement Manual (DPM) 2005 for revenue stores, both these documents are available on the website of Ministry of Defence. Some of the provisions in DPP 2005 include:-

- (i) Making Qualitative Requirements more broad based so as to avoid single vendor situations.
- (ii) Signing of Integrity Pact for purchases over Rs.300 crore.
- (iii) The Standard contract terms are included in the RFP. This includes provision regarding penalty for use of undue influence by the seller and prohibit engagement of any agent or payment of agency commission by the seller.
- (iv) Broad timeframe for completion of different procurement activities.

Some of the provisions in DPM 2005 include:

- (i) Request for Proposals, both for indigenous and foreign procurement enumerating short-listing and award criteria;
 - (ii) Uniformity in interpretation of various contracting clauses and issues;
 - (iii) Clear time frame for each stage and process of procurement so as to cut down the delays and bring in accountability;
 - (iv) General guidelines for assessing reasonability of prices;
 - (v) Summary of CVC guidelines and Banking instruments.
- (d) No time frame can be indicated for investigation of the cases as the same depends on time required for collection of evidences by CBI.